

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 30, 1957

IN THE MATTER OF:

CASE 1304

I do hereby certify that the foregoing is

the true and correct copy of the record as the same appears in the files of the Commission, 1957.

Secretary
New Mexico Oil Conservation Commission

TRANSCRIPT OF PROCEEDINGS

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the true and correct copy of the record as the same appears in the files of the Commission, 1957.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 30, 1957

IN THE MATTER OF:

The application of El Paso Natural Gas Products Company for the approval of an unorthodox oil well location in an undesignated Gallup Oil Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the unorthodox location of its Sapp No. 1 Well in an undesignated Gallup Oil Pool at a point 1,450 feet from the South line and 965 feet from the East line of Section 30, Township 24 North, Range 8 West, San Juan County, New Mexico. Said well was projected as a wildcat gas well but was found to be productive of oil rather than gas.

CASE NO. 1304

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

EXAMINER NUTTER: The application for El Paso Natural Gas Products Company for the approval of an unorthodox oil well location in an undesignated Gallup oil pool in San Juan County, New Mexico.

MR. WHITWORTH: I am Garrett C. Whitworth, representing El Paso Natural Gas Products Company and I have one witness, Mr. Ewell N. Walsh, would like to be sworn in at this time.

MR. NUTTER: Mr. Walsh, will you stand and be sworn please?

WITNESS HAVING FIRST BEEN DULY SWORN TESTIFIED AS FOLLOWS:

MR. WHITWORTH: You are Mr. Ewell N. Walsh?

MR. WALSH: That is right.

MR. WHITWORTH: Where do you live Mr. Walsh?

A. At 216 El Paso Drive, Farmington, New Mexico.

Q. And by whom are you employed?

A. El Paso Natural Gas Products Company.

Q. In what capacity are you employed?

A. Division Petroleum Engineer.

Q. What experience have you had in this capacity?

A. Four and a half years of Petroleum Engineer with the El Paso Natural Gas Company and effective August 1, 1957, Division Petroleum Engineer for El Paso Natural Gas Products Company.

Q. In that capacity you make it your business to familiarize yourself with the drilling of particular wells?

A. Yes I do.

Q. Are you familiar with the drilling of Sapp No. 1 Well on Section 30, Range 8 West, Township 24 North, NMPM, San Juan County, New Mexico?

A. Yes I am.

Q. Are you familiar with the location of this well?

A. Yes.

Q. Are you familiar with the ownership of the lease on which this well is located?

A. Yes I am.

Q. Are you familiar with the ownership of surrounding leases?

A. Yes I am.

Q. Now.....

MR. NUTTER: Now Mr. Whitworth, I would like to interrupt one moment Mr. Walsh, have you previously testified before the New Mexico Oil Conservation Commission?

A. No I have not.

Q. For the record lets get Mr. Walsh qualified as an expert.

Mr. Walsh's qualifications are acceptable to the Commission as an expert witness.

MR. WALSH: Thank you sir.

MR. WHITWORTH: I have a plat which I would like to have identified as Exhibit 1 and ask if you are familiar with the area depicted on that plat?

A. I am familiar with the area depicted on the plat.

Q. What area is it?

A. It covers Sections 29, 30, 31 and 32 of Township 24 North, Range 8 West, reference to New Mexico Principal Meridian, San Juan County, New Mexico.

Q. Now is the location of that well depicted on that plat?

A. It is.

Q. What is the location?

A. 965 feet from the east line 1450 feet from the south line of Section 30, Township 24 North, Range 8 West.

Q. Who owns the lease on which this well is located?

A. El Paso Natural Gas Products Company.

Q. And who owns the surrounding lease?

A. El Paso Natural Gas Products Company.

Q. What kind of well was that supposed to be when it was originally staked?

A. A gas well.

Q. Was the well completed as a gas well or an oil well?

A. An oil well.

Q. In what formation was it completed?

A. A lower Gallup formation.

Q. Is the well producing now?

A. It is.

Q. What is it producing?

A. Average production for the month of July, 6.24 barrels per day

on a 25 day basis.

Q. Of oil?

A. Of oil.

Q. Does it produce any gas?

A. It has a gas-oil ratio test 22,596 cubic feet per barrel.

MR. NUTTER: How much was that?

A. 2,000.

Q. 2,000?

A. 2,596.

Q. Now would you term this well a gas well or an oil well?

A. An oil well.

Q. If.....this application is denied what would it necessitate

with regard to this particular lease?

A. The well would have to be shut-in and additional wells drilled

in order to hold the lease.

Q. In other words it would necessitate additional drilling, is that

right?

A. Right.

Q. Now, had the well been a gas well, would it have conformed to

Rule 104 (b) of the New Mexico Oil Conservation Commission rules?

A. It would in terms of Wildcat Gas Well.

Q. Now since it is not a gas well and is an oil well, in what

is that particular rule violated?

A. According to your footage regulations on Rule 104 (b) the well now falls as an unorthodox location for an oil well as it was to have been a standard location for a wildcat gas well.

A. Thats all I have.

MR. NUTTER: Mr. Walsh, when this well was originally staked, to what formation was it projected?

A. To the lower Gallup.

Q. And El Paso anticipated discovering gas in the Gallup formation in that area?

A. Yes.

Q. And instead of encountering gas, they encountered oil?

A. Thats right.

Q. Is there any other question of the witness? If not, the witness may be excused. Does anyone have anything further they wish to offer in this case? You wanted to offer this plat as Exhibit No. 1, Mr. Whitworth?

MR. WHITWORTH: Thats right sir.

MR. NUTTER: Is there objection to the receipt of El Paso Natural Gas Products Company Exhibit No. 1 in Case No. 1304? If not, the Exhibit will be received in evidence. Does anyone have anything further they wish to offer in this case? If not, we will take the case under advisement and the hearing is adjourned.

STATE OF NEW MEXICO)
 :
COUNTY OF SANTA FE)

I, Ola Garcia, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Commission Examiner at Santa Fe, New Mexico, is a true and correct record, to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico, this 19th day of September, 1957.

Ola Garcia

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1304, heard by me on 8-30, 1957.

Samuel H. Miller, Examiner
New Mexico Oil Conservation Commission